Silver Flag Exercise Site

Integrity - Service - Excellence

Cost and other "CAP" Contracts

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This Briefing is: UNCLASSIFIED

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Why do you need to know?

- Where is the first office customers go to about contractors?
- Possible solution for your requirement
- More oversight
  - Assist in Quality Assurance
  - Help ensure cost control
- Duplication

As a CCO you are NOT the AFCAP Contracting Officer

If AFCAP is/should be recommended (due to complexity, etc.) refer your customer to the proper agency … be that "business advisor"

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Cost Contracts Terms and Definitions

- **AFCAP: Air Force Contract Augmentation Program (USAF)**
- **LOGCAP: Logistics Civil Augmentation Program (USA)**

- **Definition of a Cost-reimbursement contracts**

FAR 16.301-1, Description:

  - **Cost-reimbursement types of contracts provide for payment of allowable incurred cost, to the extent prescribed in the contract**
  - **Suitable for use when uncertainties involved in contract performance do not permit cost to be estimated with sufficient accuracy to use any type of FFP Contract**

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Policies & Constraints

- Initial response to the U.S. War on Terrorism
- Available to any DoD, federal, state or governmental agency
- AF requests channeled through a MAJCOM/CE (ensures programming, funding and verifies execution method)
- Provide beddown materials (relieve strain on WRM) in a combatant or non-combatant environment
- Good for sustainment in protracted operations, restoration, recovery, and reconstitution
- Other potential use considerations:
  - Reduction of military footprint, fulfill military personnel shortfalls
  - Political concerns & host nation sensitivities
  - Preparatory actions prior to commitment/show of military forces

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Are Cost Contracts More Expensive?

lany government deployment costs are indirec
nd not visible in the normal planning process

Transportation Costs
- Travel & per diem
- Freight movement
- Port & Customs fees
- Temporary storage fees
- Freight handling

Military costs
- Labor
- Housing
- Subsistence
- Medical
- Dental
- Clothing
- Training
- Passports/Visas

Equipment Costs
- Equipment handling
- Rental/Lease
- Storage
- Equipment maintenance
- Storage site upkeep
- Equipment depreciation
- Reconstitution

Communications Costs
- INMARSAT phones
- Tactical radios
- Computers & printers

Sample ROM

Rough Order of Magnitude

Cost Description	Number of Personnel	Sustainment Cost w/Uplifts	Mob/Demob Cost	Total Cost
Management				
Program Management Offices	LS			$ 289,744
"Back Shop" Support	LS			$ 312,000
SWA Overtime Pool	LS			$ 58,692
Subtotal:				$ 660,436
Al Udeid, Qatar				
- Site Manager (RMS)	1	$ 221,312	$ 4,074	$ 225,386
- Program Controls (RMS)	1	$ 139,277	$ 2,894	$ 142,171
- Engineer (RMS)	1	$ 170,227	$ 3,538	$ 173,765
- Construction Manager (RMS)	2	$ 324,979	$ 5,463	$ 330,443
- Construction Manager (Fluor)*	1	$ (49,100)	$ 15,808	$ (33,292)
- Procurement (Fluor)**	2	$ 503,666	$ 14,960	$ 518,626
* *Temporary*, 3 months credit from "interim" Forward Cell				
** Includes 3 months credit from "interim" Forward Cell				
Subtotal (Personnel minus *temporary* Fluor CM):	7			$ 1,357,098
Subtotal Labor:				**$ 2,017,533**
Travel, Per Diem (including R&R Costs)				$ 82,994
Medical, Passports, Visas, License, etc.				$ 18,606
Vehicles				$ 52,800
Modular Office and Furnishings/Equipment				$ 129,490
Off-Base Accommodation Option				$ -
RMS Uniforms, Safety Equipment, Ref Matl				$ 6,822
Other ODCs (DBA, insurance, tax, phones, computers, misc)				$ 145,753
Subtotal ODCs:				**$ 436,465**
Subtotal Direct:				**$ 2,453,998**
G&A (@ 3.5%):				$ 85,890
Subtotal:				**$ 2,539,888**
Base Fee (@ 1%):				$ 25,399
Award Fee @ 6%:				$ 152,393
Total				**$ 2,717,680**

Assumptions:

1. Length of support will be for six months with 70-hour work weeks with an overtime pool.
2. RMS provided off-base housing ("Off-Base Accommodation Option") -- **N/A**.
3. Meals provided by government at deployed location during on-site work hours.
3. Vehicle fuel provided by government at Al Udeid.
4. Previously funded "interim" support included (credited) in this support -- all ending O/A the same date. Fluor CM provides transition to RMS CM personnel, then departs
5. Off-base Accommodation Option provides for the cost of off-base housing, estimate includes off-setting payroll savings from special "substandard" housing allowances.

"Product"

"Overhead"

"Fees"

"Bottom-Line"

$2.7M for 8 man Design Cell

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Basic Premise Broad Range of ~~Capabilities~~

- **Installation Support Services**
  - **Fill military personnel shortfalls**
  - **Sustainment**
  - **Reconstitution**
  - **Home station backfills**
- **Contingent Logistics**
  - **War reserve materiel augmentat**
  - **Vehicles & Heavy Equipment Lea**
  - **Humanitarian relief support**
- **Construction**
  - **Expeditious planning, design/build**
  - **Emergency support, disaster/base recovery**
  - **Site restoration**

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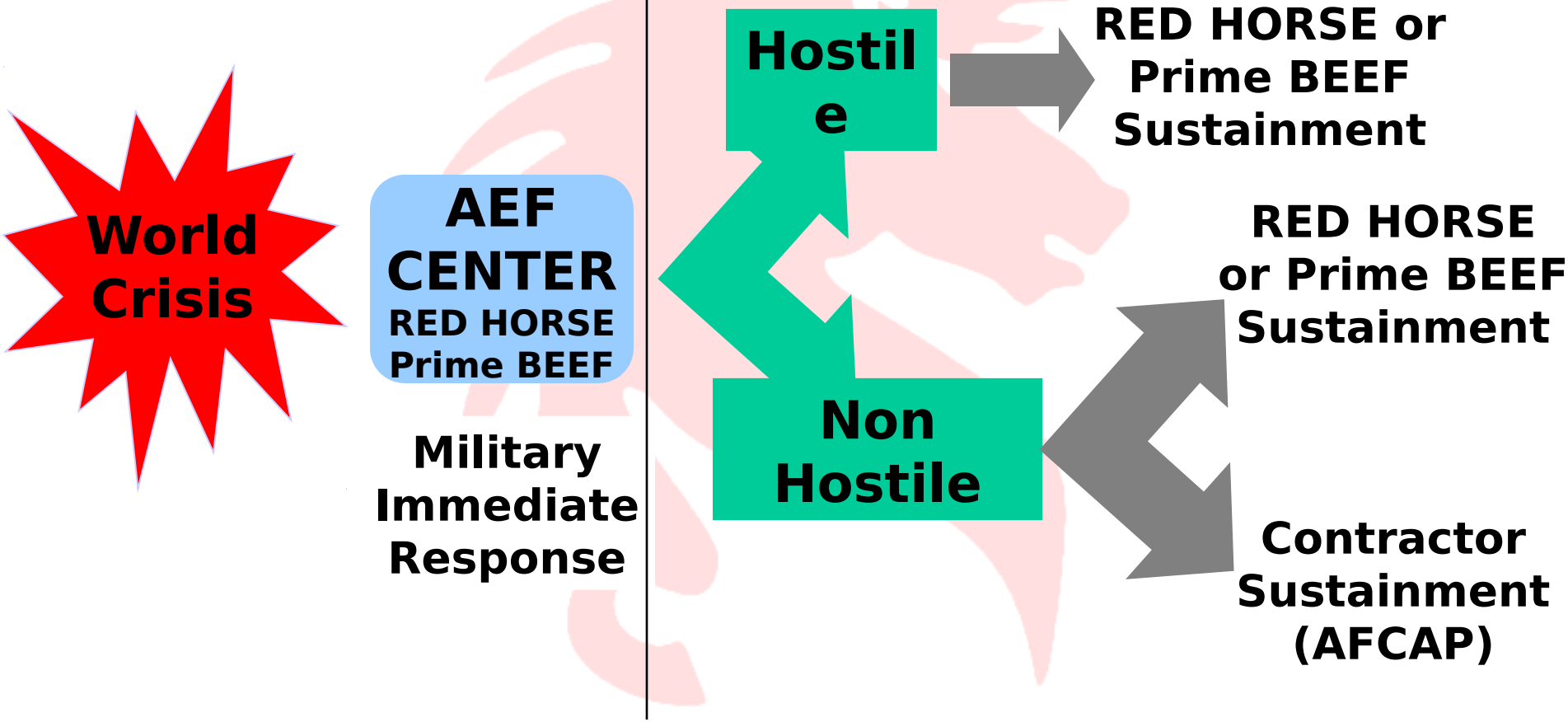
Basic Premise When SHOULD they be Used?

Initial Phase

Sustainment Phase



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Basic Premise When to Use?

- **Cost Contracts are the right choice when…**
  - **Customer perspective**
    - **Provides commanders a resource option to augment or relieve operations**
    - **When extended ops are foreseen**
    - **When necessary to reduce depende on scarce war reserve stockpiles**
    - **When there's a manpower shortfall**
  - **Air Staff perspective**
    - **When requirements exceed troop ceiling**
    - **When political/operational concerns influence military footprint**

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AFCAP and LOGCAP Websites

AFCAP Website:

http://www.afcesa.af.mil/

HQ AFCESA - Home - Microsoft Internet Explorer
Address http://www.afcesa.af.mil/
Directorates
Core Competencies
Products & Services
Shortcuts
AFCESA
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Installation Support (CEI)
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AFCESA, as it is commonly called, provides the best tools, practices and professional support to Air Force civil engineers around the world. The agency's staff is comprised of approximately 350 subject matter experts in nearly all facets of civil engineering, civil engineer support, and contract management. The agency is also a repository of civil engineer knowledge, much of which can be accessed either through our web site or through specialists in our Reach-back Center.
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CE Magazine
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Volume 13
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LOGCAP Website:

http://www.amc.army.mil/LOGCAP/

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Questions?